

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO
et al.,

(Jointly Administered)

Debtors.¹

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ORDER SETTING DEADLINE FOR STATUS REPORT IN CONNECTION WITH
SUIZA DAIRY CORP.'S URGENT MOTION REQUESTING A RULING OR ENTRY OF COMFORT ORDER

Before the Court is the *Urgent Motion Requesting a Ruling or Entry of Comfort Order as to the Non-Applicability of the Automatic Stay to a Limited Controversy with the Commonwealth of Puerto Rico Arising Post-Petition and Having Post-Petition Effects but Partially Based on a Pre-Petition Judgment Incorporating Milk Regulations Established by the United States District Court for the District of Puerto Rico and Not Involving Property of the Debtor or Its Estate* (Docket Entry No. 17166 in Case No. 17-3283) (the “Motion”), filed by Suiza Dairy Corporation (“Suiza”). The Court has also received and reviewed the opposition to the Motion filed by the Commonwealth of Puerto Rico (the “Commonwealth”) (Docket Entry No. 17432 in Case No. 17-3283) (the “Opposition”), and Suiza’s reply (Docket Entry No. 17527 in Case No. 17-3283) (the “Reply”).

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

In the Motion, Suiza seeks a comfort order that it may pursue an action in federal court to enforce a pre-petition settlement agreement and pre-petition judgment (the “Settlement Agreement”) issued by the United States District Court for the District of Puerto Rico (the “District Court”) without violating the automatic stay under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. §§ 2161-2177 (“PROMESA”). Suiza argues that the Commonwealth breached the Settlement Agreement when the Commonwealth’s Office of Regulation of the Milk Industry (“ORIL”) enacted Administrative Order 2021-18.

In the Opposition, the Commonwealth represents that Vaqueria Tres Monjitas, Inc. (“VTM”), co-plaintiff to Suiza in the underlying federal action and an additional party to the Settlement Agreement, has pursued an administrative avenue to challenge Administrative Order 2021-18 as violative of the Settlement Agreement. (See Opp. ¶ 12.) Specifically, VTM filed a Petition for Judicial Review before the Puerto Rico Court of Appeals on June 25, 2021 (the “Administrative Proceeding”).

The Court hereby ORDERS the parties to submit a joint status report on or before **May 2, 2022 at 5:00 p.m. (Atlantic Standard Time)**, addressing the status of the Administrative Proceeding, and any other administrative or regulatory review process Suiza has pursued with respect to Administrative Order 2021-18. In addition, the parties shall address whether any or all of the issues raised in the Motion have been resolved through any such review process and, which, if any, issues remain for resolution by this Court.

SO ORDERED.

Dated: April 12, 2022

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge